



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

August 13, 2001

David Penney  
Box 312  
Beaver, Utah 84713

Re: Receipt of Permit Fee for New Small Mining Projects, Fantasy Land Jasper (S/027/096), Millard County, Sliver 3-4 (S/001/057), and File Status Change of Lost Gems #1 from Exploration Project to Small Mining Project (S/001/056), Beaver County, Utah

Dear Mr. Penney:

We have received your \$800.00 check for the 2001-2002 permit fees. Thank you for your timeliness in responding. You submitted \$200.00 each for the Little Spot and the Sliver 1-4 small mining projects. We have, therefore, created two new files and assigned new file numbers to the two new notices. Please take note that the Little Spot (current file number S/027/024) has been separated into two files. *The new file is called Fantasy Land Jasper and has been assigned file number (S/027/096).*

The Sliver 1-4 has been broken out into Sliver 1-2 and Sliver 3-4. Please take note we have assigned *a new file number (S/001/057) to the Sliver 3-4 project*. The Sliver 1-2 file number will remain the same (S/001/035).

We will also change the Lost Gems #1 exploration project (E/001/140) to a small mining project, as we discussed. Please take note *a new file number (S/001/056) has been assigned to the Lost Gems #1 small mine project. We will close and retire the Lost Gems #1 exploration file (E/001/140).* The permit fee will be credited toward the new small mine project file. If you wish to reclaim the Lost Gems #1 site, please contact Larry Garahana of the BLM for instructions on reclamation of this disturbance.

We will need you to complete a new small mine notice application for each of these three projects. I have taken the liberty of **partially** completing the three applications for your signature. Please check the applications and the attached maps for accuracy and completeness. Any areas highlighted in yellow in the applications may need additional information or checked for completeness. The northern Sliver project (Sliver 3-4) is located on BLM land. According to

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David Penney  
S/001/056, S/001/057 & S/027/096  
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the BLM, the southern project (Sliver 1-2) is located on patented Independence lode claim, MS6299. **Please inform us if this land ownership is correct.** When the applications are complete, please sign them and return to me for processing. Please return the completed applications within the next 10 days.

If you have any questions or concerns regarding this letter or the applications, please contact me at (801) 538-5321. Thank you for your immediate attention to these permitting issues.

Sincerely,

A handwritten signature in black ink that reads "Tom Munson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tom Munson  
Senior Reclamation Specialist

jb  
Enclosures: 3 SMO applications (partially completed)  
cc: Larry Garahana, BLM, Fillmore FO  
Ed Ginouves, BLM, Cedar City FO  
Files: S/001/035, S/027/024, E/001/140  
Penney-ltr.doc

STATE OF UTAH  
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**NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS**

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

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**I. GENERAL INFORMATION (Rule R647-3-104)**

1. Name of Mine: LOST GEMS #1
2. Name of Operator/Applicant: DAVID PENNEY  
Company ( ) Corporation ( ) Partnership ( ) Individual (☒)
3. Permanent Address: BOX 312  
City: BEAVER State: UTAH Zip Code: 84713  
Telephone Number: (835) 438-5522 Fax: 435-438-2555

4. Ownership of Land Surface:

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐  
State Trust Land/School Sections ☐ State Sovereign Lands ☐  
Other (please describe): \_\_\_\_\_

Name _____	Address _____
Name _____	Address _____
Name _____	Address _____
Name _____	Address _____

5. Ownership of Minerals:

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐  
 State Trust Land/School Sections ☐ State Sovereign Lands ☐  
 Other (please describe): \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_  
 Name \_\_\_\_\_ Address \_\_\_\_\_  
 Name \_\_\_\_\_ Address \_\_\_\_\_  
 Name \_\_\_\_\_ Address \_\_\_\_\_

Utah Mining Claim Number(s): UMC -

Utah State Lease Number(s): \_\_\_\_\_

Name of Lessee(s) \_\_\_\_\_

6. Have the above surface and mineral owners been notified in writing?  
 Yes ☒ No ☐

If no, why not? \_\_\_\_\_

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

7. Does the operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes ☒ No ☐

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. Project Location (legal description):

County(ies): BEAVER

\_\_\_\_ 1/4, of ~~1/4~~ of N 1/2 Section: 22 Township: 30S Range: 14W  
 \_\_\_\_ 1/4, of \_\_\_\_ 1/4, of \_\_\_\_ 1/4: Section: \_\_\_\_ Township: \_\_\_\_ Range: \_\_\_\_  
 \_\_\_\_ 1/4, of \_\_\_\_ 1/4, of \_\_\_\_ 1/4: Section: \_\_\_\_ Township: \_\_\_\_ Range: \_\_\_\_

UTM East \_\_\_\_\_ (if known) UTM North \_\_\_\_\_ (If known)

Name of Quad Map for Location BLUE MOUNTAIN

2. A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) **must** be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

### III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☒ Underground ☐
2. Mineral(s) to be mined: AGATE
3. Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?  
Yes ☐ No ☒ If yes, please describe (add extra pages if needed) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). OPEN PIT MINING  
FOR AGATE  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. ☐ New Road(s): Length \_\_\_\_\_ (ft) Width \_\_\_\_\_ (ft)
6. ☐ Improved Road(s): Length \_\_\_\_\_ (ft) Width \_\_\_\_\_ (ft)
7. Total project surface acreage to be disturbed: 2 (acres)
8. Proposed startup date of project (month, year) \_\_\_\_\_
9. Proposed completion date of project, if known (month, year) UNKNOWN

### IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.

6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil - fall is the preferred time to seed.

V. **VARIANCE REQUEST** (Rule R647-3-110)

Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>
_____	_____
_____	_____
_____	_____

VI. **PERMIT FEE** [Mined Land Reclamation Act 40-8-7(I)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (I)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention and annually thereafter, until the project disturbances are successfully reclaimed by the operator and released by the Division.

***Small Mining Notices require a \$100.00 fee which must accompany this application or it cannot be processed by the Division.***

VII. **SIGNATURE REQUIREMENT**

I hereby commit to conduct mining operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

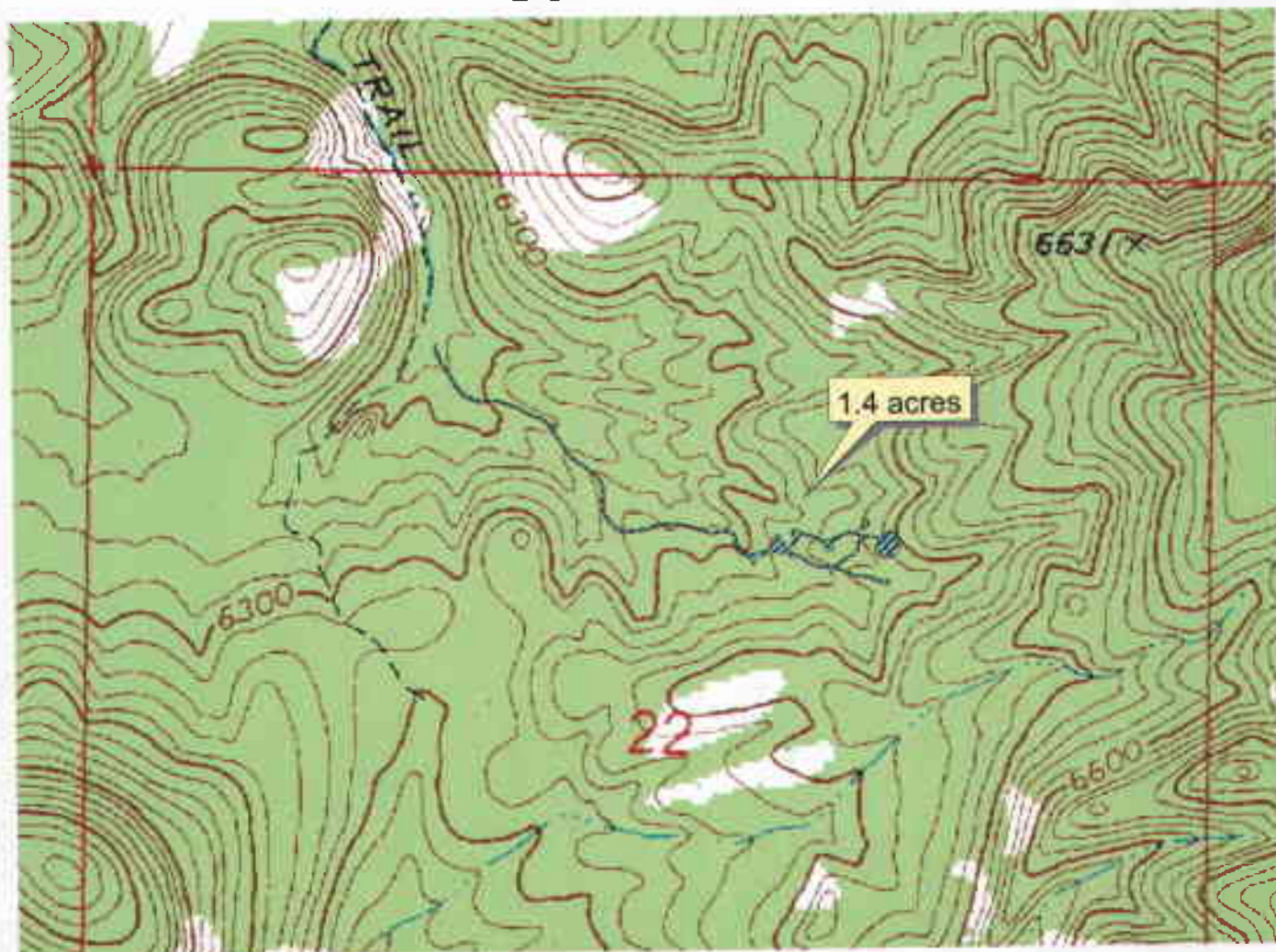
Signature of Operator/Applicant: \_\_\_\_\_

Name (typed or printed): \_\_\_\_\_

Title/Position (if applicable): \_\_\_\_\_

Date: \_\_\_\_\_

# David Penney's Lost Gems #1 Mine S/001/056



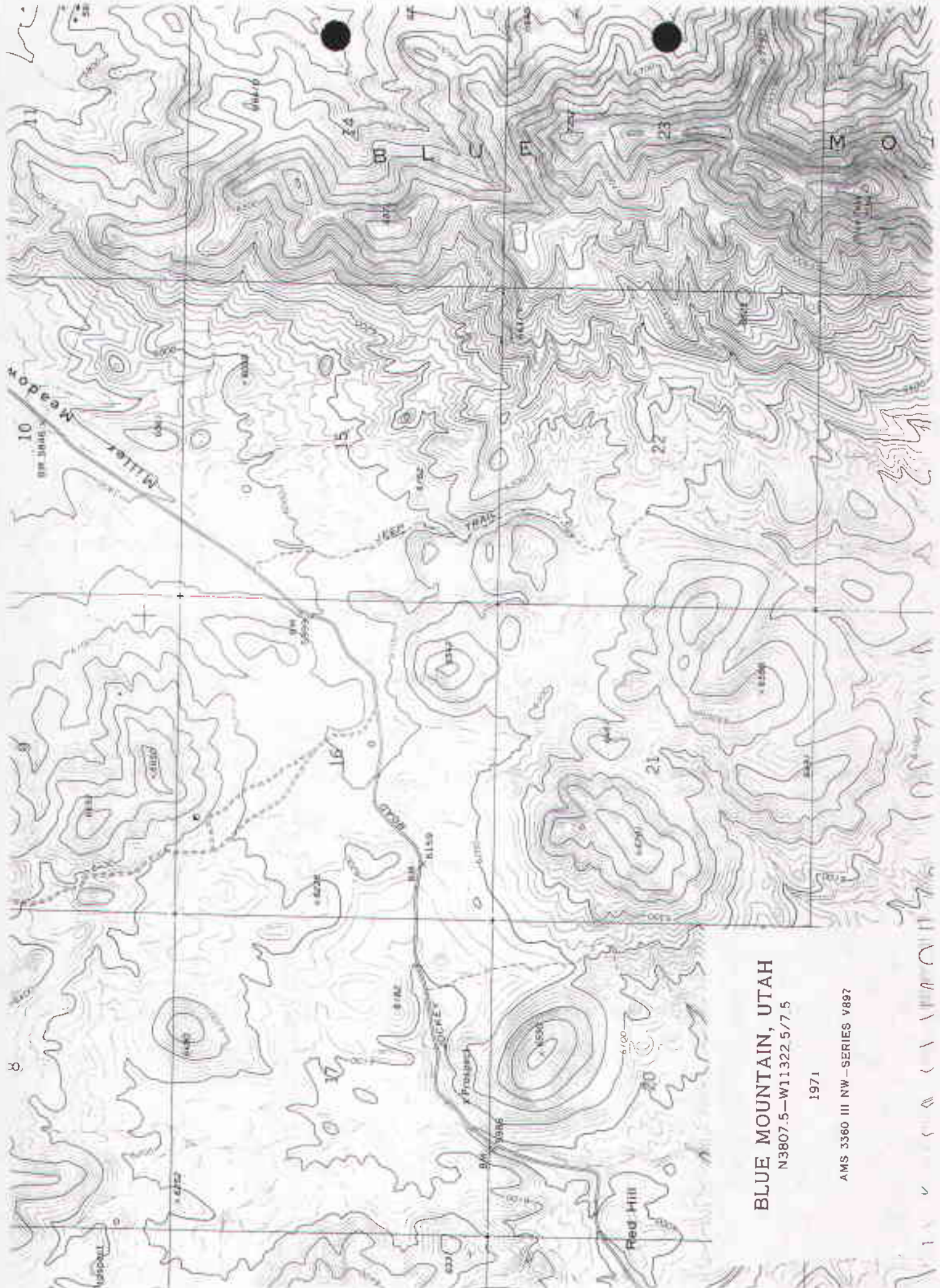
1000 0 1000 2000 Feet

A horizontal scale bar with alternating black and white segments, marked with the numbers 1000, 0, 1000, and 2000, followed by the word "Feet".

 mine disturbance







BLUE MOUNTAIN, UTAH

N3807.5-W11322.5/7.5

1971

AMS 3360 III NW - SERIES V897